Introduced by Senator Sher

February 19, 2003

An act to repeal Section 39609 of the Health and Safety Code, An act to add Chapter 4.5 (commencing with Section 42500) to Part 4 of Division 26 of the Health and Safety Code, relating to air quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 288, as amended, Sher. Air quality: emission control measures *New Source Review Restoration Act of 2003*.

(1) Existing law, the federal Clean Air Act, requires each major new and modified source of air pollution to undergo "new source review" to ensure that facilities install the best available control equipment, obtain offsets for any new emissions, and comply with any other requirement to ensure that the new and modified sources do not adversely affect air quality. On December 31, 2002, federal regulations implementing the new source review program were adopted that alter that program. Under the federal Clean Air Act, states may adopt air pollution control requirements that are more stringent than federal requirements. Existing law designates the State Air Resources Board as the air pollution control agency responsible for the coordination of the activities of air pollution control districts and air quality management districts for the purposes of the federal Clean Air Act. Subject to the powers of the state board, the districts are required to adopt and enforce rules and regulations to achieve and maintain the state and federal ambient air quality standards in all areas affected by nonvehicular emission sources under their jurisdiction. Each district is authorized to establish a permit system that requires, except as specified, that before SB 288 — 2 —

any person builds, erects, alters, replaces, operates, or uses any article, machine, equipment, or other contrivance that may cause the issuance of air contaminants, the person obtain a permit from the air pollution control officer of the district.

This bill would establish the New Source Review Restoration Act of 2003. The bill would require the state board to adopt regulations that incorporate all federal guidance documents and regulations implementing the federal new source review program as it existed on December 30, 2002. The bill would also require the state board to adopt regulations that incorporate and implement specified provisions of the Code of Federal Regulations pertaining to new source review, as they existed on December 30, 2002. The bill would provide that its provisions, and all regulations adopted pursuant to its provisions, apply retroactively to December 30, 2002. The bill would require the state board, within 90 days after the effective date of this act, to incorporate into the California Code of Regulations the list of categories of stationary sources adopted by the administrator of the Environmental Protection Agency pursuant to federal law, and within one year after the effective date of the bill, incorporate by reference into the California Code of Regulations all regulations adopted by the Administrator of the Environmental Protection Agency that establish standards of performances for new sources. The bill would require these incorporated federal standards to remain in effect until the state board, following public notice and comment, adopts new performance standards. The bill would require the state board to review these new performance standards at least every 8 years. The bill would authorize each district to develop and submit to the state board a procedure for implementing and enforcing standards of performance for new sources located within the jurisdiction of the district. The bill would also require the state board to prescribe regulations that establish a procedure similar to that provided in existing federal law under which each district is required to submit a plan to the state board that establishes standards for performance for any existing source for any air pollutant for which air quality criteria have not been issued but to which a standard of performance would apply if the existing source were a new source, and that provides for the implementation and enforcement of those standards of performance. The bill would authorize the state board to prescribe a plan for a district if the state board determines the district plan to be unsatisfactory, and authorizes the state board to enforce the provisions of that plan if the district fails to do so.

__ 3 __ SB 288

The bill would authorize any person who proposes to own or operate a new source to request a district for one or more waivers from the requirements of these provisions with respect to any air pollutant in order to encourage the use of an innovative technological system of continuous emission reduction, and would authorize the district to grant a waiver if, after public notice and comment, it determines the proposed system meets specified criteria.

The bill would require the state implementation plan for the federal act to contain emission limitations and other measures that the state board determines may be necessary to prevent significant deterioration of air quality in each region designated as attainment or unclassifiable pursuant to federal law. The bill would require that in the case of sulfur dioxide and particulate matter, each applicable implementation plan contain measures assuring that maximum allowable increases over baseline concentrations and maximum allowable concentrations of the pollutant not be exceeded. The bill would specify the maximum allowable increase in concentrations of sulfur dioxide and particulate matter over the baseline concentration of the pollutant for class I, class II, and class III areas, as defined.

The bill would prohibit construction on a major emitting facility unless a permit has been issued that meets specified requirements, including that the permit has been reviewed under the provisions of the bill, interested parties have had the opportunity to comment, and the owner or operator of the facility demonstrates that emission from construction or operation of the facility will not cause, or contribute to, air pollution in excess of specified concentrations and standards. The bill would prohibit the issuance of a permit if the Federal Land Manager or other federal official provides specified findings to the state board relating to the adverse impact of the facility on air quality. The bill would require the state board to adopt regulations at least as stringent as those adopted by the Administrator of the federal Environmental Protection Agency, that were in effect on December 30, 2002, to prevent the significant deterioration of air quality which would result from the emissions of hydrocarbons, carbon monoxide, photochemical oxidants, and nitrogen oxides. The bill would require the state board or the district with jurisdiction to take those measures necessary to prevent the construction or modification of a major emitting facility, as defined, that does not conform to the provisions of the bill.

The bill would establish plan requirements for nonattainment areas, as defined and would require the provisions of the plan to include

SB 288 — 4—

providing for the implementation of all reasonably available control measures as expeditiously as practicable, attainment of the national primary ambient air quality standards, inventories of actual emissions, and enforceable emissions limitations. The bill would also require the plan provisions to require permits for the construction and operation of new or modified major stationary sources anywhere in the nonattainment area.

The bill would authorize the issuance of permits to construct and operate if the permitting agency makes certain determinations pertaining to emissions of pollutants resulting from the new or modified source. The bill would provide that the owner or operator of a new or modified major stationary source may comply with any offset requirement under this act for increased emissions of any air pollutant only by obtaining emission reductions of the air pollutant from the same source or other sources in the same nonattainment area, but would authorize the owner or operator to obtain offsets from another nonattainment area if the other area has an equal or higher nonattainment classification, and the emissions in the other area contribute to violations of the national ambient air quality standard.

The bill would set forth, for any area designated as a nonattainment area for national ambient air quality standards, specified offset requirements. The bill would set forth the requirements for commencing a civil action to enforce an emission standard or limitation, as defined, to order the state board or a district to perform an act under the provisions of this act.

- (2) Existing law makes a violation of any rule, regulation, permit, or order of the state board and a district a misdemeanor. By expanding the scope of a crime, this bill would impose a state-mandated local program. To the extent this bill would establish duties for districts it would impose a state-mandated local program.
- (3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law requires the State Air Resources Board, on or before December 31, 1989, and at least every 3 years thereafter, to complete a study on the feasibility of employing air quality models and other analytical techniques to distinguish between emission control measures

— 5 — SB 288

on the basis of their relative ambient air quality impact. Existing law requires the state board to consult with districts and affected groups in conducting the study, and, after a public hearing, to prepare and transmit its findings to each air quality management district and air pollution control district for its use in developing a plan to attain state ambient air quality standards.

This bill would repeal that requirement.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39609 of the Health and Safety Code is 2 repealed.

SECTION 1. Chapter 4.5 (commencing with Section 42500) is added to Part 4 of Division 26 of the Health and Safety Code, to read:

5 6 7

3

CHAPTER 4.5. New Source Review Restoration Act of 2003

8 9

11

12

13

17

18

20

21

22

24

25

- 42500. This article shall be known, and may be cited, as the New Source Review Restoration Act of 2003.
 - *The Legislature finds and declares all of the following: 42501*.
- (a) The people of the State of California have a primary interest in safeguarding the air quality in the state from degradation and in ensuring the enhancement of the air quality of the state. For over 25 years, the federal Clean Air Act (42 U.S.C. Sec. 7401, et seq.), 16 has required major new and modified sources of air pollution to undergo "new source review," to ensure that those facilities install the best available control equipment, obtain offsets for any new emissions, and comply with other requirements to ensure that such new and modified sources do not adversely affect air quality.
 - (b) New source review has been a cornerstone of state efforts to reduce pollution from older industrial sources by requiring facilities to install the best available control technology when they undergo major modifications.
 - (c) On December 31, 2002, the President of the United States promulgated regulations that substantially alters the federal program of new source review (67 Fed. Reg. 80186-80289 (Dec. 31, 2002)).

SB 288 — 6 —

 (d) These new regulations threaten to undermine the air quality of the State of California and thereby threaten the health and safety of the people of the State of California.

- (e) Section 7416 of Title 42 of the United States Code, contained in the federal Clean Air Act, protects the right of states to adopt air pollution control requirements that are more stringent than federal requirements. Moreover, the proposed regulations provide that the states may adopt permitting programs that are "at least as stringent" as the new federal "revised base program" (67 Fed. Reg. 80241).
- (f) The intent of this chapter is to adopt into state law the federal new source review program as it existed on December 30, 2002.
- (g) The program set forth in this chapter imposes more stringent standards than the new federal "revised base program" set forth in 67 Fed. Reg. 80186-80289.
 - 42502. The purposes of this chapter are all of the following:
- (a) (1) To protect the public health and welfare from any actual or potential adverse effect which in the judgement of the state board or local district may reasonably be anticipated to occur from air pollution or from exposures to pollutants in other media, which pollutants originate as emissions to the ambient air, notwithstanding attainment and maintenance of all national ambient air quality standards.
- (2) To preserve, protect, and enhance the air quality in national parks, national wilderness areas, national monuments, national seashores, and other areas of special national or regional natural, recreational, scenic, or historic value.
- (3) To ensure that economic growth will occur in a manner consistent with the preservation of existing clean air resources.
- (4) To ensure that emissions from any source in the state will not interfere with any portion of the applicable implementation plan to prevent significant deterioration of air quality for any other state.
- (5) To ensure that any decision to permit increased air pollution in any area to which this chapter applies is made only after careful evaluation of all the consequences of that decision and after adequate procedural opportunities for informed public participation in the decisionmaking process.

__7 __ SB 288

42503. (a) The state board shall adopt regulations that incorporate and implement the following provisions of the Code of Federal Regulations, as they existed on December 30, 2002:

1

4 5

6

8

9

10

11

12 13

14

15

16 17

18 19

20

21

28

- (1) Section 51.160 of Title 40 of the Code of Federal Regulations.
- (2) Section 11.2.3.2 of Appendix W of Part 51 of Title 40 of the Code of Federal Regulations.
- (3) Section 11.2.3.3. of Appendix W of Part 51 of Title 40 of the Code of Federal Regulations.
- (4) Appendix S of Part 51 of Title 40 of the Code of Federal Regulations.
- (5) Section 51.161 of Title 40 of the Code of Federal Regulations.
- (6) Section 51.162 of Title 40 of the Code of Federal Regulations.
- (7) Section 51.163 of Title 40 of the Code of Federal Regulations.
- (8) Section 51.164 of Title 40 of the Code of Federal Regulations.
- (9) Section 51.165 of Title 40 of the Code of Federal Regulations.
- 22 (10) Section 51.166 of Title 40 of the Code of Federal 23 Regulations.
- 24 (11) Section 52.21 of Title 40 of the Code of Federal 25 Regulations.
- 26 (12) Section 52.24 of Title 40 of the Code of Federal 27 Regulations.
 - (13) Section 60.2 of Title 40 of the Code of Federal Regulations.
- 30 (14) Section 60.14 of Title 40 of the Code of Federal Regulations.
- 32 (15) Section 60.15 of Title 40 of the Code of Federal Regulations.
- 34 (b) The Legislature finds and declares that the federal 35 provisions set forth in subdivision (a) have, for the most part, 36 already been implemented by the state board pursuant to federal 37 law as it existed on December 30, 2002.
- 38 42504. (a) This chapter, and all regulations adopted 39 pursuant to this chapter, shall apply retroactively to December 30, 40 2002.

SB 288 —8 —

1 2

3

6

8 9

10 11

12 13

15

16

17 18

19

20

21 22

23 24

25

26

28

29

30 31

32 33

34

35

39 40

(b) Unless otherwise specified, all references to sections of the United States Code are to those sections as they existed on December 30, 2002.

4 42505. For purposes of this chapter, the following definitions 5 apply:

- (a) "Administrator" means the administrator of the United States Environment Protection Agency.
- (b) "District" means an air pollution control district or air quality management district.
- (c) "Existing source" means any stationary source other than a new source.
- (d) "Modification" means any physical change in, or change in the method of operation of, a stationary source that increases the amount of any air pollutant emitted by that source, or which results in the emission of any air pollutant not previously emitted. A conversion to coal under either of the following circumstances is not a modification for purposes of this subdivision or subdivision (d):
- (1) As a result of an order pursuant to Section 2(a) of the Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. Secs. 791, 792(a)), or any amendment thereto, or any subsequent enactment which supersedes that act.
- (2) That qualifies under Section 7413(d)(5)(A) of Title 42 of the United States Code.
- (e) "New source" means any stationary source, the construction or modification of which is commenced after the publication of regulations or proposed regulations pursuant to this chapter that prescribes a standard of performance that is applicable to that source.
- (f) "Owner" or "operator" means any person who owns, leases, operates, controls, or supervises a stationary source.
- (g) "Standard of performance" or "performance standard" means a standard for emissions of air pollutants that reflects the degree of emission limitation achievable through the application of the best system of emission reduction which, taking into account 36 the cost of achieving that reduction and any nonair quality health and environmental impact and energy requirements, the state board determines has been adequately demonstrated, and that is at least as stringent as those promulgated by the administrator of the United States Environmental **Protection**

__9__ SB 288

1 (administrator) pursuant to Section 7411 of Title 42 of the United2 States Code.

(h) "State board" means the State Air Resources Board.

- (i) "Stationary source" means any building, structure, facility, or installation that emits or may emit any air pollutant.
- (j) "Technological system of continuous emission reduction" means either of the following:
- (1) A technological process for production or operation by any source which is inherently low-polluting or nonpolluting.
- (2) A technological system for continuous reduction of the pollution generated by a source before that pollution is emitted into the ambient air, including precombustion cleaning or treatment of fuels.
- 42507. Nothing in this chapter prohibits the state or any political subdivision thereof to adopt or enforce any standard or limitation respecting emissions of air pollutants or any requirement respecting control or abatement of air pollution, except that if an emission standard or limitation is in effect under this chapter, such state or political subdivision may not adopt or enforce any emission standard or limitation which is less stringent than the standard or limitation under this chapter.
- 42508. The state implementation plan shall contain emission limitations and other measures that the state board determines may be necessary to prevent significant deterioration of air quality in each region or portion thereof designated pursuant to Section 7407 of Title 42 of the United States Code as attainment or unclassifiable.
- 42509. All areas in the state shall be designated according to this section:
- (a) All international parks, national wilderness or memorial parks that exceed 5,000 acres in size, and all national parks that exceed 6,000 acres in size, which were in existence as of August 7, 1977, shall be designated as class I, and may not be redesignated. All areas which were redesignated as class I under federal regulations adopted before August 7, 1977, shall be class I areas which may be redesignated as provided in this chapter.
- (b) All areas in the state designated pursuant to Section 7407(d) of Title 42 of the United States Code as attainment or unclassifiable which are not established as class I shall be class II areas.

SB 288 — 10 —

1

9

11 12

13

15

16 17

18

19 20

21 22

23

24

25 26

27

28

29

30

31

32 33

34

35

36 37

38

39

42510. (a) In the case of sulfur dioxide and particulate matter, each applicable implementation plan shall contain measures assuring that maximum allowable increases over baseline concentrations and maximum allowable concentrations of the pollutant shall not be exceeded. In the case of any maximum 5 allowable increase (except an allowable increase specified under Section 7475(d)(2)(C)(iv) of Title 42 of the United States Code for a pollutant based on concentrations permitted under national ambient air quality standards for any period other than an annual period, the regulations shall permit maximum allowable increase 10 to be exceeded during one period per year.

- (b) For any class I area, the maximum allowable increase in concentrations of sulfur dioxide and particulate matter over the baseline concentration of the pollutants shall not exceed the following amounts:
- (1) For particulate matter, five micrograms per cubic meter as an annual geometric mean and 10 micrograms per cubic meter as a 24-hour maximum.
- (2) For sulfur dioxide, two micrograms per cubic meter as an annual arithmetic mean, five micrograms per cubic meter as a 24-hour maximum, and 25 micrograms per cubic meter as a three-hour maximum.
- (c) For any class II area, the maximum allowable increase in concentrations of sulfur dioxide and particulate matter over the baseline concentration of the pollutants shall not exceed the following amounts:
- (1) For particulate matter, 19 micrograms per cubic meter as an annual geometric mean and 37 micrograms per cubic meter as a 24-hour maximum.
- (2) For sulfur dioxide, 20 micrograms per cubic meter as an annual arithmetic mean, 91 micrograms per cubic meter as a 24-hour maximum, and 512 micrograms per cubic meter as a three-hour maximum.
- (d) For any class III area, the maximum allowable increase in concentrations of sulfur dioxide and particulate matter over the baseline concentration of the pollutants shall not exceed the following amounts:
- (1) For particulate matter, 37 micrograms per cubic meter an annual geometric mean, and 75 micrograms per cubic meter as a 24-hour maximum.

— 11 — SB 288

(2) For sulfur dioxide, 40 micrograms per cubic meter as an annual geometric mean, 182 micrograms per cubic meter as a 24-hour maximum, and 700 micrograms per cubic meter as a three-hour maximum.

- (e) The maximum allowable concentration of any air pollutant in any area to which this chapter applies shall not exceed a concentration for the pollutant for each period of exposure equal to whichever concentration is lowest for the pollutant for the period of exposure:
- (1) The concentration permitted under the national secondary ambient air quality standard.
- (2) The concentration permitted under the national primary ambient air quality standard.
- (f) The state board may, after notice and opportunity for public hearing, issue orders or adopt rules providing that for purposes of determining compliance with the maximum allowable increases in ambient concentrations of an air pollutant, the following concentrations of the pollutant shall not be taken into account:
- (1) Concentrations of the pollutant attributable to the increase in emissions from stationary sources which have converted from the use of petroleum products, or natural gas, or both, by reason of an order which is in effect under subsections (a) and (b) of Section 792 of the of Title 15 of the Unites States Code, or any subsequent legislation which supersedes those provisions, over the emissions from those sources before the effective date of the order.
- (2) The concentrations of the pollutant attributable to the increase in emissions from stationary sources which have converted from using natural gas by reason of a natural gas curtailment pursuant to a natural gas curtailment plan in effect pursuant to the Federal Power Act (16 U.S.C. Sec. 791a et seq.) over the emissions from those sources before the effective date of the plan.
- (3) Concentrations of particulate matter attributable to the increase in emissions from construction or other temporary emission-related activities.
- (4) The increase in concentrations attributable to new sources outside the United States over the concentrations attributable to existing sources which are included in the baseline concentration determined in accordance with Section 7479(4) of Title 42 of the United States Code.

SB 288 — 12 —

(g) No action taken with respect to a source under paragraph (1) or (2) of subdivision (f) shall apply more than five years after the effective date of the order referred to in paragraph (1) of subdivision (f) or the plan referred to in paragraph (2) of subdivision (f), whichever is applicable. If both orders and plans are applicable, no action shall apply more than five years after the later of the effective dates.

- 42511. (a) No major emitting facility on which construction is commenced after August 7, 1977, may be constructed in any area to which this chapter applies unless all of the following occurs:
- (1) A permit has been issued for the proposed facility in accordance with this chapter setting forth emission limitations for the facility which conform to the requirements of this chapter.
- (2) The proposed permit has been subject to a review in accordance with this section, the required analysis has been conducted in accordance with regulations adopted by the state board, and a public hearing has been held with opportunity for interested parties, including representatives of the state board, to appear and submit written or oral presentations on the air quality impact of the source, alternatives thereto, control technology requirements, and other appropriate considerations.
- (3) The owner or operator of the facility demonstrates, as required pursuant to Section 7410(j) of Title 42 of the United States Code, that emissions from construction or operation of the facility will not cause, or contribute to, air pollution in excess of any of the following:
- (A) The maximum allowable increase or maximum allowable concentration for any pollutant in any area to which this chapter applies more than one time per year.
- (B) The national ambient air quality standard in any air quality control region.
- (C) Any other applicable emission standard or standard of performance under this chapter.
- (4) The proposed facility is subject to the best available control technology for each pollutant subject to regulation under this chapter emitted from, or which results from, the facility.
- (5) There has been an analysis of any air quality impacts projected for the area as a result of growth associated with the facility.

— 13 — SB 288

(6) The person who owns or operates, or proposes to own or operate, a major emitting facility for which a permit is required under this chapter agrees to conduct monitoring as may be necessary to determine the effect which emissions from any facility may have, or is having, on air quality in any area which may be affected by emissions from a source.

- (7) In the case of a source which proposes to construct in a class III area, emissions from which would cause or contribute to exceeding the maximum allowable increments applicable in a class II area and where no standard under Section 7411 of Title 42 of the United States Code has been promulgated subsequent to August 7, 1977, for the source category, the state board has approved the determination of best available technology, as set forth in the permit.
- (b) The demonstration pertaining to maximum allowable increases required under paragraph (3) of subdivision (a) shall not apply to maximum allowable increases for class II areas in the case of an expansion or modification of a major emitting facility which is in existence on August 7, 1977, whose allowable emissions of air pollutants, after compliance with paragraph (4) of subdivision (a), shall be less than 50 tons per year and for which the owner or operator of the facility demonstrates that emissions of particulate matter and sulfur oxides will not cause or contribute to ambient air quality levels in excess of the national secondary ambient air quality standard for either of the pollutants.
- (c) Any completed permit application for a major emitting facility in any area to which this chapter applies shall be granted or denied not later than one year after the date of filing of the completed application.
- (d) In any case where a federal official charged with direct responsibility for management of any lands within a class I area or the Federal Land Manager of the lands, the administrator, or the Governor of an adjacent state containing such a class I area files a notice with the state board alleging that emissions from a proposed major emitting facility may cause or contribute to a change in the air quality in the area and identifying the potential adverse impact of the change, a permit shall not be issued unless the owner or operator of the facility demonstrates to the state board that emissions of particulate matter and sulfur dioxide will

SB 288 — 14 —

not cause or contribute to concentrations which exceed the maximum allowable increases for a class I area.

- (e) In any case where the Federal Land Manager demonstrates to the satisfaction of the state board that the emissions from the facility will have an adverse impact on the air quality-related values (including visibility) of the lands, notwithstanding the fact that the change in air quality resulting from emissions from the facility will not cause or contribute to concentrations which exceed the maximum allowable increases for a class I area, a permit shall not be issued.
- (f) In any case where the owner or operator of the facility demonstrates to the satisfaction of the Federal Land Manager, and the Federal Land Manager makes the appropriate certification, that the emissions from the facility will have no adverse impact on the air quality-related values of the lands (including visibility), notwithstanding the fact that the change in air quality resulting from emissions from the facility will cause or contribute to concentrations which exceed the maximum allowable increases for class I areas, the state board may issue a permit.
- (g) In the case of a permit issued pursuant to subdivision (f), the facility shall comply with the emission limitations under the permit as may be necessary to assure that emissions of sulfur oxides and particulates from the facility will not cause or contribute to concentrations of the pollutant which exceed the following maximum allowable increases over the baseline concentration for such pollutants:
- (1) For particulate matter, 19 micrograms per cubic meter as an annual geometric mean, and 37 micrograms per cubic meter as a 24-hour maximum.
- (2) For sulfur dioxide, 20 micrograms per cubic meter as an annual arithmetic mean, 91 micrograms per cubic meter as a 24-hour maximum, and 325 micrograms per cubic meter as a three hour maximum.
- (h) (1) In any case where the owner or operator of a proposed major emitting facility who has been denied a certification under subdivision (f) demonstrates to the satisfaction of the state board, after notice and public hearing, and the state board finds, that the facility cannot be constructed by reason of any maximum allowable increase for sulfur dioxide for periods of 24-hours or less applicable to any class I area and, in the case of federal

— 15 — SB 288

mandatory class I areas, that a variance under this clause will not adversely affect the air quality related values of the area (including visibility), the state board, after consideration of the Federal Land Manager's recommendation, if any, and subject to his or her concurrence, may grant a variance from the maximum allowable increase. If a variance is granted, a permit may be issued to the source pursuant to the requirements of this subdivision.

- (2) In any case in which the state board recommends a variance under this subdivision in which the Federal Land Manager does not concur, the recommendations of the state board and the Federal Land Manager may be transmitted to the President of the United States. The variance shall take effect if the President of the United States approves the state board's recommendations.
- (3) In the case of a permit issued pursuant to this subdivision, the facility shall comply with the emission limitations under the permit as may be necessary to assure that emissions of sulfur oxides from the facility shall not, during any day on which the otherwise applicable maximum allowable increases are exceeded, cause or contribute to concentrations which exceed the following maximum allowable increases for the areas over the baseline concentration for the pollutant and to assure that the emissions shall not cause or contribute to concentrations which exceed the otherwise applicable maximum allowable increases for periods of exposure of 24 hours or less on more than 18 days during any annual period:

(In micrograms per cubic meter)

Period of exposure Low terrain areas High terrain areas

24-hr maximum	36	62
3-hr maximum	130	221

- (4) For purposes of paragraph (3), the term "high terrain area" means with respect to any facility, any area having an elevation of 900 feet or more above the base of the stack of the facility, and the term "low terrain area" means any area other than a high terrain area.
- (i) (1) The review provided for in subdivision (a) shall be preceded by an analysis in accordance with regulations of the state board, adopted under this subdivision, which may be conducted by the state board, any local district, or by the major emitting facility

SB 288 — 16 —

4

5

6

9

10 11

12 13

14

15

16

17 18

19 20

21

22

23

24

25 26

27

28

29

30

31

33

34

35

36 37

38

40

applying for the permit, of the ambient air quality at the proposed site and in areas which may be affected by emissions from the facility for each pollutant subject to regulation under this chapter that will be emitted from the facility.

- (2) The analysis required by this subdivision shall include continuous air quality monitoring data gathered for purposes of determining whether emissions from the facility will exceed the maximum allowable increases or the maximum allowable concentration permitted under this chapter. This data shall be gathered over a period of one calendar year preceding the date of application for a permit under this chapter unless the state determines that a complete and adequate analysis for these purposes may be accomplished in a shorter period. The results of the analysis shall be available at the time of the public hearing on the application for the permit.
- 42512. In the case of the pollutants hydrocarbons, carbon monoxide, photochemical oxidants, and nitrogen oxides, the state board shall adopt regulations at least as stringent as those adopted by the administrator, as in effect on December 30, 2002, to prevent the significant deterioration of air quality which would result from the emissions of those pollutants.
- *42513*. The state board or the district with jurisdiction shall take measures, including issuance of an order, or seeking injunctive relief, as necessary to prevent the construction or modification of a major emitting facility that does not conform to the requirements of this chapter, or that is proposed to be constructed in any area designated pursuant to Section 7407(d) of Title 42 of the United States Code as attainment or unclassifiable and that is not subject to an implementation plan that meets the requirements of this chapter.
- 42514. For purposes of this chapter, the following definitions 32 apply:
 - (a) "Major emitting facility" means any of the following stationary sources of air pollutants which emit, or have the potential to emit, 100 tons per year or more of any air pollutant from the following types of stationary sources: fossil-fuel fired steam electric plants of more than 250,000,000 British thermal units per hour heat input, coal cleaning plants (thermal dryers), kraft pulp mills, Portland Cement plants, primary zinc smelters, iron and steel mill plants, primary aluminum ore reduction plants,

— 17 — SB 288

primary copper smelters, municipal incinerators capable of 2 charging more than 50 tons of refuse per day, hydrofluoric, sulfuric, and nitric acid plants, petroleum refineries, lime plants, phosphate rock processing plants, coke oven batteries, sulfur recovery plants, carbon black plants (furnace process), primary 5 lead smelters, fuel conversion plants, sintering plants, secondary 6 metal production facilities, chemical process plants, fossil-fuel 8 boilers of more than 250,000,000 British thermal units per hour 9 heat input, petroleum storage and transfer facilities with a capacity exceeding 300,000 barrels, taconite ore processing 10 11 facilities, glass fiber processing plants, and charcoal production facilities. The term also includes any other source with the 12 13 potential to emit 250 tons per year or more of any air pollutant. The 14 term shall not include new or modified facilities which are nonprofit health or education institutions which have been 15 exempted by the state. 16 17

(b) "Commenced" as applied to construction of a major emitting facility means that the owner or operator has obtained all necessary preconstruction approvals or permits required by federal, state, or local air pollution emissions and air quality laws or regulations and has done either of the following:

18

19

20

21

22

23

24

2526

27

28

29

30 31

32

33

34

35

36 37

38

- (1) Begun, or caused to begin, a continuous program of physical onsite construction of the facility.
- (2) Entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of construction of the facility to be completed within a reasonable time.
- (c) 'Necessary preconstruction approvals or permits' means those permits or approvals, required by the permitting authority as a precondition to undertaking any activity under paragraph (1) or (2) of subdivision (b).
- (d) "Construction" when used in connection with any source or facility, includes the modification, as defined in Section 7411(a) of the United States Code, of any source or facility.
- (e) "Best available control technology" means an emission limitation based on the maximum degree of reduction of each pollutant subject to regulation under this chapter emitted from or which results from any major emitting facility, which the permitting authority, on a case-by-case basis, taking into account

SB 288 — 18 —

15

16 17

19 20

21 22

23

24

2526

28

29

30

34

35

36 37

38 39

40

energy, environmental, and economic impacts and other costs, determines is achievable for the facility through application of production processes and available methods, systems, and techniques, including fuel cleaning, clean fuels, or treatment or innovative fuel combustion techniques for control of each 5 pollutant. In no event shall application of "best available control technology" result in emissions of any pollutants which will exceed the emissions allowed by any applicable standard 9 established pursuant to Section 7411 or Section 7412 of Title 42 of the United States Code. Emissions from any source utilizing clean 10 fuels, or any other means, to comply with this subdivision shall not be allowed to increase above levels that would have been required 12 13 under this subdivision as it existed in federal law prior to 14 November 15, 1990.

- (f) "Baseline concentration" means, with respect to a pollutant, the ambient concentration levels which exist at the time of the first application for a permit in an area subject to this chapter, based on air quality data available in the federal Environmental Protection Agency or a state board and on monitoring data as the permit applicant is required to submit. Ambient concentration levels shall take into account all projected emissions in, or which may affect, such area from any major emitting facility on which construction commenced prior to January 6, 1975, but which has not begun operation by the date of the baseline air quality concentration determination. Emissions of sulfur oxides and particulate matter from any major emitting facility on which construction commenced after January 6, 1975, shall not be included in the baseline and shall be counted against the maximum allowable increases in pollutant concentrations established under this chapter.
- 31 42515. For the purpose of this chapter, the following 32 definitions apply:
 33 (a) "Reasonable further progress" means the annual
 - (a) "Reasonable further progress" means the annual incremental reductions in emissions of the relevant air pollutant as required by this chapter or may reasonably be required by the administrator, the state board, and a local district for the purpose of ensuring attainment of the applicable national ambient air quality standard by the applicable date.
 - (b) "Nonattainment area" means, for any air pollutant, an area which is designated "nonattainment" with respect to that

— 19 — SB 288

pollutant within the meaning of Section 7407(d) of Title 42 of the United States Code.

- (c) (1) "Lowest achievable emission rate" means for any source, that rate of emissions which reflects either of the following:
- (A) The most stringent emission limitation which is contained in the implementation plan of the state for a class or category of source, unless the owner or operator of the proposed source demonstrates that the limitations are not achievable.
- (B) The most stringent emission limitation which is achieved in practice by the class or category of source, whichever is more stringent.
- (2) In no event shall the application of this term permit a proposed new or modified source to emit any pollutant in excess of the amount allowable under applicable new source standards of performance.
- (d) "Modifications" and "modified" mean the same as the term "modification" as used in Section 42505.
- 42516. The plan provisions, including plan items, required to be submitted under this chapter shall comply with each of the following:
- (a) The plan provisions shall provide for the implementation of all reasonably available control measures as expeditiously as practicable, including reductions in emissions from existing sources in the area as may be obtained through the adoption, at a minimum, of reasonably available control technology, and shall provide for attainment of the national primary ambient air quality standards.
- (b) The plan provisions shall require reasonable further progress.
- (c) The plan provisions shall include a comprehensive, accurate, current inventory of actual emissions from all sources of the relevant pollutant or pollutants in the area, including periodic revisions as the state board may determine necessary to assure that the requirements of this chapter are met.
- (d) The plan provisions shall expressly identify and quantify the emissions, if any, of any pollutant or pollutants which will be allowed, in accordance with Section 7503(a)(1)(B) of Title 42 of the United States Code, from the construction and operation of major new or modified stationary sources in each area. The plan shall demonstrate to the satisfaction of the state board that the

SB 288 — 20 —

emissions quantified for this purpose will be consistent with the achievement of reasonable further progress and will not interfere with attainment of the applicable national ambient air quality standard by the applicable attainment date.

- (e) The plan provisions shall require permits for the construction and operation of new or modified major stationary sources anywhere in the nonattainment area, in accordance with Section 7503 of Title 42 of the United States Code and Section 42518.
- (f) The plan provisions shall include enforceable emission limitations, and other control measures, means, or techniques (including economic incentives such as fees, marketable permits, and auctions of emission rights), as well as schedules and timetables for compliance, as may be necessary or appropriate to provide for attainment of the standard in an area by the applicable attainment date specified in this chapter.
- (g) The plan provisions shall also meet the applicable provisions of Section 7410(a)(2) of Title 42 of the United States Code.
- (h) Upon application by any district, the state board may allow the use of equivalent modeling, emission inventory, and planning procedures, unless the state board determines that the proposed techniques are, in the aggregate, less effective than the methods specified by the administrator or the state board.
- (i) The plan shall provide for the implementation of specific measures to be undertaken if the area fails to make reasonable further progress, or to attain the national primary ambient air quality standard by the attainment date applicable under this chapter. The measures shall be included in the plan revision as contingency measures to take effect in any such case without further action by the state board.
- 42517. (a) The permit program required by this chapter shall provide that permits to construct and operate may be issued if all of the following occurs:
- (1) In accordance with this chapter and any regulations or guidelines adopted by the state board pursuant to this chapter setting forth the method for the determination of baseline emissions, the permitting agency determines either of the following:

— 21 — SB 288

(A) By the time the source is to commence operation, sufficient offsetting emissions reductions have been obtained, so that total allowable emissions from existing sources in the region, from new or modified sources which are not major emitting facilities, and from the proposed source will be sufficiently less than total emissions from existing sources prior to the application for the permit to construct or modify so as to represent, when considered together with the plan provisions required under Section 7502 of the United States Code, reasonable further progress.

- (B) In the case of a new or modified major stationary source which is located in a zone within the nonattainment area identified by the administrator in consultation with the Secretary of Housing and Urban Development, as a zone to which economic development should be targeted, that emissions of the pollutant resulting from the proposed new or modified major stationary source will not cause or contribute to emissions levels that exceed the allowance permitted for the pollutant for the area from new or modified major stationary sources under Section 7502(c) of Title 42 of the United States Code.
- (2) The proposed source is required to comply with the lowest achievable emission rate.
- (3) The owner or operator of the proposed new or modified source has demonstrated that all major stationary sources owned or operated by the person, or by any entity controlling, controlled by, or under common control with the person, in the state are subject to emission limitations and are in compliance, or on a schedule for compliance, with all applicable emission limitations and standards under this chapter.
- (4) Neither the administrator or the state board has determined that the applicable implementation plan is not being adequately implemented for the nonattainment area in which the proposed source is to be constructed or modified in accordance with the requirements of this chapter.
- (5) An analysis of alternative sites, sizes, production processes, and environmental control techniques for the proposed source demonstrates that benefits of the proposed source significantly outweigh the environmental and social costs imposed as a result of its location, construction, or modification.

SB 288 — 22 —

 (b) Any emission reductions required as a precondition of the issuance of a permit under paragraph (1) of subdivision (a) shall be federally enforceable before the permit may be issued.

- (c) Any growth allowance included in an applicable implementation plan to meet the requirements of Section 7502(b)(5) of Title 42 of the United States Code (as in effect immediately before November 15, 1990) shall not be valid for use in any area that received or receives a notice under Section 7410(a)(2)(H)(ii) of Title 42 of the United States Code (as in effect immediately before November 15, 1990) or under Section 7410(k)(1) of Title 42 of the United States Code that its applicable implementation plan containing the allowance is substantially inadequate.
- (d) (1) The owner or operator of a new or modified major stationary source may comply with any offset requirement in effect under this chapter for increased emissions of any air pollutant only by obtaining emission reductions of the air pollutant from the same source or other sources in the same nonattainment area, except that the state board or district may allow the owner or operator of a source to obtain emission reductions in another nonattainment area if both the following criteria are met:
- (A) The other area has an equal or higher nonattainment classification than the area in which the source is located.
- (B) Emissions from the other area contribute to a violation of the national ambient air quality standard in the nonattainment area in which the source is located. The emission reductions shall be, by the time a new or modified source commences operation, in effect and enforceable and shall assure that the total tonnage of increased emissions of the air pollutant from the new or modified source shall be offset by an equal or greater reduction, as applicable, in the actual emissions of the air pollutant from the same or other sources in the area.
- (2) Emission reductions otherwise required by this chapter shall not be creditable as emissions reductions for purposes of any offset requirement. Incidental emission reductions which are not otherwise required by this chapter shall be creditable as emission reductions for such purposes if such emission reductions meet the requirements of paragraph (1).
- (e) The state board and districts shall provide that control technology information from permits issued under this chapter

__ 23 __ SB 288

shall be promptly submitted to the administrator for purposes of making the information available through the RACT/BACT/LAER clearinghouse to other states and to the general public.

- (f) The state board and districts shall allow a source to offset by alternative or innovative means emission increases from rocket engine and motor firing, and cleaning related to firing, at an existing or modified major source that tests rocket engines or motors under the following conditions:
- (1) Any modification proposed is solely for the purpose of expanding the testing of rocket engines or motors at an existing source that was permitted to test those engines on November 15, 1990.
- (2) The source demonstrates to the satisfaction of the state board that it has used all reasonable means to obtain and utilize offsets, as determined on an annual basis, for the emissions increases beyond allowable levels, that all available offsets are being used, and that sufficient offsets are not available to the source.
- (3) The source has obtained a written finding from the Department of Defense, the Department of Transportation, National Aeronautics and Space Administration or other appropriate federal agency, that the testing of rocket motors or engines at the facility is required for a program essential to the national security.
- (4) The source will comply with an alternative measure, imposed by the permitting authority, designed to offset any emission increases beyond permitted levels not directly offset by the source. In lieu of imposing any alternative offset measures, the permitting authority may impose an emissions fee to be paid to that authority which shall be an amount no greater than 1.5 times the average cost of stationary source control measures adopted in that area during the previous three years. The permitting authority shall utilize the fees in a manner that maximizes the emissions reductions in that area.
- 42518. For any area designated as being in nonattainment of the national ambient air quality standards as determined by the administrator, the terms "major source" and "major stationary source" shall include, in addition to the sources described elsewhere in this chapter those sources defined as "major sources' and "major stationary sources" in Section 7511(a) of Title 42 of

SB 288 — 24 —

the United States Code, and the offset requirements applicable in those regions shall be as defined in Section 7511(a) of Title 42 of the United States Code, as summarized below:

Major Source Thi	resholds and Minimu	m Emission Offset Rai	tio Requirements for	
Ozone Nonattainment Areas				
OZONE NON-	VOC	Nox	Minimum Emis-	
ATTAINMENT	(tons per year)	(tons per year)	sions Offset Ra-	
DESIGNATION			tio Required	
Extreme	10	10	1.5 to 1.0	
Severe	25	25	1.3 to 1.0	
Serious	50	50	1.2 to 1.0	
Moderate	100	100	1.15 to 1.0	
Moderate, in an	50	100	1.15 to 1.0	
ozone transport				
region				
Marginal	100	100	1.1 to 1.0	
Marginal in an	50	100	1.15 to 1.0	
ozone transport				
region				
Attainment in	50	100	1.15 to 1.0	
an ozone trans-				
port region				
All other nonat-	100	100	1.0 to 1.0	
tainment areas				
outside of an				
ozone transport				
region				

 42519 (a) Except as provided in subdivision (c), any person may commence a civil action on his or her own behalf against the following:

- (1) Any person, including the state and any of its subdivisions, and any other governmental instrumentality or agency who is alleged to have violated, if there is evidence that the alleged violation, has been repeated, or to be in violation, of either of the following:
 - (A) An emission standard or limitation under this chapter.
- (B) An order issued by the administrator, the state board, or a district with respect to an emission standard or limitation.

__ 25 __ SB 288

(2) The state board or district where there is alleged a failure of the state board or district to perform any act or duty under this chapter which is not discretionary.

- (3) Any person who proposes to construct or constructs any new or modified major emitting facility without a permit required under this chapter or who is alleged to have violated, if there is evidence that the alleged violation has been repeated, or to be in violation of any condition of such permit.
- (b) An action pursuant to this section may be brought in any court of competent jurisdiction to enforce such an emission standard or limitation, or such an order, or to order the state board or district to perform an act or duty, as the case may be, and to apply any appropriate civil penalties. The state courts shall have jurisdiction to compel agency action unreasonably delayed. In any action for unreasonable delay, notice to the entities shall be provided 180 days before commencing the action.
- (c) No action may be commenced under paragraph (1) of subdivision (a) as follows:
- (1) Prior to 60 days after the plaintiff has given notice of the violation to the district and the state board in which the violation occurs and to any alleged violator of the standard, limitation, or order.
- (2) If the administrator, district, or state board has commenced and is diligently prosecuting a civil action in a court of the United States or the state to require compliance with the standard, limitation, or order, but in any such action any person may intervene as a matter of right.
- (3) Under paragraph (2) of subdivision (a), prior to 60 days after the plaintiff has given notice of such action to the administrator, to the state board, and to the district affected, if any.
- (d) (1) Any action respecting a violation by a stationary source of an emission standard or limitation or an order respecting such standard or limitation may be brought in any court of competent jurisdiction.
- (2) In any action under this section, the state board or relevant district, if not a party, may intervene as a matter of right at any time in the proceeding.
- (3) Whenever any action is brought under this section, the plaintiff shall serve a copy of the complaint on the Attorney General and on the state board and relevant district, if any. No

SB 288 — 26 —

3

4

5

6

8 9

10 11

12 13

14

15 16

17

19 20

21 22

23

24

2526

27

28

29

30

31

32 33

34

35

36 37

38

39 40 consent judgment or stipulated judgment shall be entered in an action brought under this section in which the state board or local district is not a party prior to 45 days following the receipt of a copy of the proposed consent judgment or stipulated judgment by the Attorney General, the state board, and the relevant district, if any, during which time the state may submit its comments on the proposed consent judgment to the court and parties or may intervene as a matter of right.

- (e) The court, in issuing any final order in any action brought pursuant to subdivision (a), may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines an award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Code of Civil Procedure.
- (f) Nothing in this section shall restrict any right which any person or class of persons may have under any statute or common law to seek enforcement of any emission standard or limitation or to seek any other relief, including relief against the administrator or a state agency. Nothing in this section shall be construed to prohibit, exclude, or restrict any state, local, or interstate authority from bringing any enforcement action or obtaining any judicial remedy or sanction in any state or local court or bringing any administrative enforcement action or obtaining administrative remedy or sanction in any state or local administrative agency, department, or instrumentality, against the *United States, any department, agency, or instrumentality thereof,* or any officer, agent, or employee thereof under state or local law respecting control and abatement of air pollution.
- (g) For purposes of this section, the term "emission standard or limitation under this chapter" means any of the following:
- (1) A schedule or timetable of compliance, emission limitation, standard of performance, or emission standard.
- (2) A control or prohibition respecting a motor vehicle fuel or fuel additive.
- (3) Any condition or requirement of a permit required under this chapter, or any condition or requirement under an applicable implementation plan relating to transportation control measures, air quality maintenance plans, vehicle inspection and maintenance programs, or vapor recovery requirements, relating

— 27 — SB 288

to fuels and fuel additives, relating to visibility protection, any condition or requirement relating to ozone protection, or any requirement under Section 39659 or Article 4 (commencing with Section 39665), or a program for which delegation and approval was obtained pursuant to Section 7411 or 7412 of Title 42 of the United States Code, without regard to whether such requirement is expressed as an emission standard or otherwise.

- (4) Any other standard, limitation, or schedule established under any permit issued pursuant to subchapter V of the Clean Air Act or under any applicable state implementation plan approved by the administrator or the state board, any permit term or condition, and any requirement to obtain a permit as a condition of operations which is in effect under this chapter or under an applicable implementation plan.
- (h) (1) Penalties received under this section shall be allocated as set forth in Sections 42405 and 42405.1.
- (2) Notwithstanding paragraph (1), the court in any action under this section to apply civil penalties shall have discretion to order that the civil penalties, in lieu of being deposited in the fund referred to in paragraph (1), be used in beneficial mitigation projects which are consistent with this chapter and enhance the public health or the environment. The court shall obtain the view of the state board and relevant district, if any, in exercising its discretion and selecting any projects. The amount of any payment in any action shall not exceed one hundred thousand dollars (\$100,000).
- SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.
- SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or

SB 288 **— 28 —**

- level of service mandated by this act, within the meaning of Section
 17556 of the Government Code.